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July 6, 2006

### VIA OVERNIGHT DELIVERY

Docket Control Arizona Corporation Commission 1200 W. Washington Street Phoenix, Arizona 85007 (602) 542-2237 Arizona Corporation Commission DOCKETED

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Re:

Broadband Dynamics, L.L.C.

Docket No. T-04102A-06-0176

#### Dear Sir/Madam:

Enclosed please find for filing an original and thirteen (13) copies of Broadband Dynamics, L.L.C.'s responses to the Commission's request for information in Broadband Dynamics, L.L.C.'s Application and Petition for Certificate of Public Convenience and Necessity to Provide Competitive Intrastate Telecommunications.

I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self-addressed, postage prepaid envelope.

If you have any questions or if I may provide you with additional information, please do not hesitate to contact me.

Respectfully sumitted,

Lange J.M. Steinhart

Attorney for Broadband Dynamics, L.L.C.

cc: Robert S. Rife

John F. Bostwick, Utilities Division/Via e-mail to: jbostwick@cc.state.az.us

### BROADBAND DYNAMICS, L.L.C. ("Broadband Dynamics") Docket No. T-04102A-06-0176

July 6, 2006

JFB1-1. Please submit a PDF file of your responses to this data request to ibostwick@cc.state.az.us.

ANSWER: PDF response has been sent via e-mail to jbostwick@cc.state.az.us on July

6, 2006.

All Contacts Providing Information/Response for the above question:

Robert S. Rife, Managing Member 8757 East Via De Commercio, First Floor, Scottsdale, Arizona 85258

E-Mail: rrife@diversifiedconsulting.net Telephone Number: (480) 941-0444

And

### BROADBAND DYNAMICS, L.L.C. ("Broadband Dynamics") Docket No. T-04102A-06-0176

July 6, 2006

JFB1-2.

Please explain how your company calculated the actual maximum and actual minimum rates that will be contained in your tariffs for each of your services.

ANSWER:

Actual rates are determined by cost of purchasing service from underlying carrier, minimum and maximum rates are determined by maximum possible rate decreases or increases.

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### BROADBAND DYNAMICS, L.L.C. ("Broadband Dynamics") Docket No. T-04102A-06-0176

July 6, 2006

JFB1-3.

Please indicate why you believe that your range of rates is just and reasonable using a competitive market analysis. Your analysis should contain publicly available examples of rates charged by the incumbent and other carriers for similar services and any other information that you believe demonstrates that your actual rates are just and reasonable. Provide support material for Staff's review. The material you provide should enable Staff to determine whether the rates to be charged by the Applicant are just and reasonable compared to other competitive resold local carriers and local incumbent carriers offering the same or similar telecommunications services in Arizona. Also, the material you provide should enable Staff to determine whether these rates are identical to the rates charged in other jurisdictions where the Applicant provides resold local exchange services similar to the telecommunications services it proposes to provide in Arizona. For a list of telecommunications carriers certificated in Arizona, go to www.cc.state.az.us/utility/utility for a list of Commissionapproved telecommunications rates and tariffs, go to www.cc.state.az.us/utility/tariffs. (Note: Use a matrix format to show the services and/or calling plans and then list for each state, minimum of three states, the appropriate rates and charges. Use a matrix format to show the services and/or calling plans and then list for each competitor, using Qwest and two other competitors in Arizona, appropriate rates and charges).

ANSWER:

Applicant does not currently offer local service. The proposed rates are based upon wholesale rates provided by Qwest. The proposed rates are comparable to those charged by Qwest and other competitive local exchange carriers. Customers are free to purchase services from many companies since the telecom market is so competitive. The company believes that the economics of the market ensures just and reasonable pricing.

All Contacts Providing Information/Response for the above question:

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### BROADBAND DYNAMICS, L.L.C. ("Broadband Dynamics") Docket No. T-04102A-06-0176

July 6, 2006

JFB1-4.

Please indicate why you believe that your range of rates is just and reasonable using a fair value or cost basis. Please include economic justification or cost support data. Please include any supporting materials.

ANSWER:

Applicant believes that its fair value rate base ("FVRB") is zero; therefore, is not useful in a fair value analysis, and is not useful in setting rates. In general, rates for competitive services are not set according to rate of return regulation. Applicant believes that its rates are just and reasonable as they are comparable to Qwest and other competitive local exchange carriers operating in Arizona. Furthermore, since Applicant has no market power, the reasonableness of its rates will be evaluated in a market with numerous competitors. Based upon the foregoing, Applicant believes that the rates in its proposed tariff will be just and reasonable.

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### BROADBAND DYNAMICS, L.L.C. ("Broadband Dynamics") Docket No. T-04102A-06-0176

July 6, 2006

JFB1-5. Please submit a complete tariff setting forth your rates and charges.

ANSWER: Please see Attachment B to the original Application and Petition for

Certificate of Public Convenience and Necessity to Provide Competitive Intrastate Telecommunications Services. Filing received by the Arizona

Corporation Commission on March 17, 2006.

All Contacts Providing Information/Response for the above question:

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Lance J.M. Steinhart, Esq.

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### BROADBAND DYNAMICS, L.L.C. ("Broadband Dynamics")

Docket No. T-04102A-06-0176 July 6, 2006

JFB1-6.

Please identify any other jurisdictions in which your company or an affiliate provides similar services. Please specify the rates that your company and/or affiliate charges for these similar services in these other jurisdictions. If there is a difference between the rates that your company will charge in Arizona and the rates that your company and/or affiliate charges in other jurisdictions for similar services: please identify and indicate the amount of the difference and explain why you are charging different rates in Arizona. List the states you currently provide resold local exchange telecommunications services.

ANSWER:

The Company does not currently provide resold local exchange telecommunication services in any other state. Arizona is the only state the Company has applied for resold local exchange telecommunication services.

All Contacts Providing Information/Response for the above question:

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### BROADBAND DYNAMICS, L.L.C. ("Broadband Dynamics") Docket No. T-04102A-06-0176

July 6, 2006

JFB1-7.

Please identify any other jurisdictions in which your company or an affiliate is applying to provide similar services. Please specify the rates that your company and/or affiliate will charge for these similar services in these other jurisdictions. If there is a difference between the rates that your company charges in Arizona and the rates that your company and/or affiliate will charge in other jurisdictions for similar services, please identify and indicate the amount of the difference and explain why you intend to charge different rates in Arizona. List the states you currently are applying to provide resold local exchange telecommunications services.

ANSWER:

The Company has not applied to for resold local exchange telecommunication services in any other states.

All Contacts Providing Information/Response for the above question:

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### BROADBAND DYNAMICS, L.L.C. ("Broadband Dynamics")

Docket No. T-04102A-06-0176 July 6, 2006

JFB1-8.

In Item (A-3) you did not provide a d/b/a ("Doing Business As") name

different from the name listed in Item (A-2).

ANSWER:

The Applicant is not doing business under a name different from that

listed in Item (A-2): Broadband Dynamics, L.L.C.

All Contacts Providing Information/Response for the above question:

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## BROADBAND DYNAMICS, L.L.C. ("Broadband Dynamics") Docket No. T-04102A-06-0176

July 6, 2006

JFB1-9.

In Item (A-8) please provide a copy of the Applicant's Certificate of Good Standing that matches the Applicant's name in Item (A-2). The copy sent states Arizona Telephony Brokers L.L.C.

ANSWER:

Please see attached Certificate of Good Standing.

All Contacts Providing Information/Response for the above question:

Robert S. Rife, Managing Member 8757 East Via De Commercio, First Floor, Scottsdale, Arizona 85258 E-Mail: rrife@diversifiedconsulting.net

Telephone Number: (480) 941-0444

And

Lance J.M. Steinhart, Esq. Lance J.M. Steinhart, P.C. 1720 Windward Concourse, Suite 250 Alpharetta, Georgia 30005

E-mail: lsteinhart@telecomcounsel.com Telephone Number: 770-232-9200



# STATE OF ARIZONA



## Office of the CORPORATION COMMISSION

### **CERTIFICATE OF GOOD STANDING**

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Secretary of the Arizona Corporation Commission, do hereby certify that

### \*\*\*BROADBAND DYNAMICS, L.L.C.\*\*\*

a domestic limited liability company organized under the laws of the State of Arizona, did organize on the 8th day of July 1999.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said limited liability company is not administratively dissolved for failure to comply with the provisions of A.R.S. section 29-601 et seq., the Arizona Limited Liability Company Act; and that the said limited liability company has not filed Articles of Termination as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 12th Day of July, 2004, A. D.

Executive Secretary

By Mone Mendez

### BROADBAND DYNAMICS, L.L.C. ("Broadband Dynamics") Docket No. T-04102A-06-0176

July 6, 2006

JFB1-10. Please mark the box in Item (A-10) to indicate the geographic market to

be served by the Applicant.

ANSWER: Please see Item (A-10) to the original Application and Petition for

Certificate of Public Convenience and Necessity to Provide Competitive Intrastate Telecommunications Services. Filing received by the Arizona Corporation Commission on March 17, 2006. Item (A-10) marked as

"statewide".

All Contacts Providing Information/Response for the above question:

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### BROADBAND DYNAMICS, L.L.C. ("Broadband Dynamics") Docket No. T-04102A-06-0176

July 6, 2006

JFB1-11. Please submit copies of affidavits of publications that the Applicant has, as required, published Legal Notice of the Application in all counties where the Applicant is requesting authority to provide service.

ANSWER: Affidavits for publication will be provided when publication process is completed.

All Contacts Providing Information/Response for the above question:

Robert S. Rife, Managing Member 8757 East Via De Commercio, First Floor, Scottsdale, Arizona 85258

E-Mail: rrife@diversifiedconsulting.net Telephone Number: (480) 941-0444

And

### BROADBAND DYNAMICS, L.L.C. ("Broadband Dynamics") Docket No. T-04102A-06-0176

July 6, 2006

JFB1-12. Please mark the box in Item (B-1) to indicate if the Applicant has financial statements for the two (2) most recent years.

ANSWER: Please see Item (B-1) to the original Application and Petition for Certificate of Public Convenience and Necessity to Provide Competitive Intrastate Telecommunications Services. Filing received by the Arizona Corporation Commission on March 17, 2006. Item (B-1) marked as "yes".

All Contacts Providing Information/Response for the above question:

Robert S. Rife, Managing Member 8757 East Via De Commercio, First Floor, Scottsdale, Arizona 85258

E-Mail: rrife@diversifiedconsulting.net Telephone Number: (480) 941-0444

And

### BROADBAND DYNAMICS, L.L.C. ("Broadband Dynamics") Docket No. T-04102A-06-0176

July 6, 2006

JFB1-13.

Please provide the Applicant's financial information for the two (2) most recent years. Provide copies of the Applicant's balance sheet, income statement, audit report, and retained earning balance. The most recent year ending should be for December 31, 2005.

ANSWER:

Please see attached two years of Applicant's balance sheet, income statement in the name of Broadband Dynamics, L.L.C. Retained earnings balance is reflected on the Balance Sheets.

All Contacts Providing Information/Response for the above question:

Robert S. Rife, Managing Member 8757 East Via De Commercio, First Floor, Scottsdale, Arizona 85258 E-Mail: rrife@diversifiedconsulting.net Telephone Number: (480) 941-0444

And

# Broadband Dynamics, LLC Balance Sheet

	Dec 31, 05	Dec 31, 04
ASSETS		
Checking/Source	1,448,153.71	(48,320.86)
Checking/Savings Accounts Receivable	1,200,427.17	652,642.65
Other Current Assets	1,773,965.38	1,487,900.99
Total Current Assets	4,422,546.26	2,092,222.78
TOTAL ASSETS	4,422,546.26	2,092,222.78
LIABILITIES & EQUITY Liabilities Current Liabilities		
Accounts Payable	445,548.49	(79,811.76)
Other Current Liabili	327,848.65	88,864.68
Total Current Liabilities	773,397.14	9,052.92
Long Term Liabilities	77,458.00	71,500.00
Total Liabilities	850,855.14	80,552.92
Equity	3,571,691.12	2,011,669.86
TOTAL LIABILITIES & EQUI	4,422,546.26	2,092,222.78

## Broadband Dynamics, LLC Income Statement

	Jan - Dec 05	Jan - Dec 04
Ordinary Income/Expense		
Income		
Wholesale Commission Reve	0.00	23,000.00
Commission Revenue	526,557.70	718,787.84
Service Revenue - Canada	0.00	0.00
Service Revenue - USA	8,412,085.88	5,279,791.31
Sales of Inventory	6,477.97	9,704.20
Total Income	8,945,721.53	6,031,283.35
Cost of Goods Sold		
Telecom Consulting Fees	2,225,000.00	0.00
Cost of Services - Canada	0.00	0.00
Cost of inventory Sold	4,434.32	3,273.74
Commissions	275,378.95	331,450.60
Cost of Services - USA	4,090,145.42	4,103,401.91
Total COGS	6,594,958.69	4,438,126.25
Gross Profit	2,350,762.84	1,593,157.10
Expense		
Advertising & promotion	2,629.82	4,207.47
Automobile Expense	8,685.23	19,141.19
Bad Debt Expense	273,680.38	128,976.76
Bank Service Charges	15,234.76	2,764.96
Charitable Contributions	0.00	50.00
Dues and Subscriptions	2,394.91	8,696.35
Employee Benefits & Insuran	0.00	48,174.51
Equipment Rental	1,825.95	5,018.81
Gifts	1,407.33	1,266.52
Insurance	3,850,72	6,249.82
Office Supplies Outside Services	15,691.59 6,380.90	10,238.61 3,306.59
Payroll Services	313,419.08	3,300.59 0.00
Payroli Expenses	0.00	306,433.83
Postage and Delivery	1,386.78	2,943.40
Printing and Reproduction	138.83	362.47
Professional Fees	16,665.59	58,860.18
Rent	9,617.97	62,317.28
Repairs	124,46	494.33
Salaries & Wages	0.00	0.00
Taxes	4,857.29	28,042.72
Telephone & Internet	8,227.08	13,570.34
Travel & Entertainment	12,047.10	35,871.11
Total Expense	698,265.77	746,987.25
Net Ordinary Income	1,652,497.07	846,169.85
Other Income/Expense Other Income		
Interest Income	180,993.92	1,037.36
Other Income	293,763.46	0.00
Total Other Income	474,757.38	1,037.36

## Broadband Dynamics, LLC Income Statement

	Jan - Dec 05	Jan - Dec 04
Other Expense Interest Expense	52,971.43	339.42
Total Other Expense	52,971.43	339.42
Net Other Income	421,785.95	697.94
Net Income	2,074,283.02	846,867.79

## BROADBAND DYNAMICS, L.L.C. ("Broadband Dynamics") Docket No. T-04102A-06-0176

July 6, 2006

JFB1-14.

The financial statements sent were for an Applicant named Broadband Dynamics L.L.C. d/b/a Arizona Telephony Brokers. Please make sure all necessary documents are corrected to reflect the correct company name and d/b/a name of the Applicant.

ANSWER:

Please see answer to JFB1-13.

All Contacts Providing Information/Response for the above question:

Robert S. Rife, Managing Member 8757 East Via De Commercio, First Floor, Scottsdale, Arizona 85258

E-Mail: rrife@diversifiedconsulting.net Telephone Number: (480) 941-0444

And

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